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# HOUSE BILL No. 1048

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10.4-4-5.

**Synopsis:** TRF pension credit for out-of-state service. Permits a member of the Indiana state teachers' retirement fund (TRF) to purchase TRF service credit for out-of-state private teaching service. (Current law allows the service credit purchase only for in-state private teaching service.)

**Effective:** July 1, 2008.

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January 8, 2008, read first time and referred to Committee on Ways and Means.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## HOUSE BILL No. 1048

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 5-10.4-4-5, AS ADDED BY P.L.2-2006, SECTION  
2       28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
3       2008]: Sec. 5. (a) As used in this section, "private teaching service"  
4       means service ~~in Indiana~~ as a teacher in a private school, kindergarten  
5       through postsecondary, that would be creditable service if performed  
6       in an accredited public school in Indiana.

7       (b) A member may purchase private teaching service credit subject  
8       to the following:

9               (1) The member must have at least one (1) year of credited  
10              service in the fund.

11             (2) The member must have at least ten (10) years of in-state  
12              credited service before the member may claim the service credit.

13             (3) Before the member retires, the member must make  
14              contributions to the fund:

15                (A) that are equal to the product of:

16                   (i) the member's salary at the time the member actually  
17                   makes a contribution for the service credit;

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(ii) a percentage rate, as determined by the actuary of the fund, based on the age of the member at the time the member makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased; and

(iii) the number of years of private teaching service the member intends to purchase; and

(B) for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

(4) The fund must receive verification from the private school that the private teaching service occurred.

(c) Service for years of private teaching that qualify a member for retirement in an out-of-state system, a private retirement system, or a federal retirement system may not be granted under this section.

(d) A member who:

(1) terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance; or

(2) receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act;

may withdraw the personal contributions made under the contributory plan plus accumulated interest after submitting to the fund a properly completed application for a refund.

(e) The following apply to the purchase of service credit under this section:

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

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